

FINANCE COMMITTEE

Tuesday, 8 December 2020

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 8 December 2020 at 1.45 pm

Present

Members:

Jeremy Mayhew (Chairman)
Deputy Jamie Ingham Clark (Deputy
Chairman)
Munsur Ali
Rehana Ameer
Randall Anderson
Nicholas Bensted-Smith
Deputy Roger Chadwick
Graeme Doshi-Smith
Alderman Sir Peter Estlin
Alderman Prem Goyal
Michael Hudson
Deputy Wendy Hyde
Deputy Clare James
Alderman Gregory Jones QC
Angus Knowles-Cutler

Alderman Nicholas Lyons
Andrew McMurtrie
Deputy Robert Merrett
Hugh Morris
Susan Pearson
James de Sausmarez
Deputy John Scott
Ian Seaton
Sir Michael Snyder
Deputy James Thomson
Mark Wheatley
Deputy Philip Woodhouse
Deputy Catherine McGuinness (Ex-Officio
Member)
Sheriff Christopher Hayward (Ex-Officio
Member)

Officers:

John Cater	-
Peter Kane	- Chamberlain
Bob Roberts	- Director of Communications
Caroline Al-Beyerty	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
Paul Wilkinson	- City Surveyor
Paul Friend	- City Surveyor's Department
Sanjay Odedra	- Communications Team
Sean Green	- Chamberlain's Department
Peter Young	- City Surveyor's Department

1. APOLOGIES

Apologies for absence were received from Oliver Lodge, Paul Martinelli, and Benjamin Murphy.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

Deputy Chadwick, Jamie Ingham Clark, Alderman Jones, and Ian Seaton declared non-pecuniary interests in respect of item 17 due to holding positions at St Lawrence Jewry.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes of the meeting held on 10th November 2020 be approved as an accurate record.

4. **FINANCE COMMITTEE'S FORWARD PLAN**

The Committee received a joint Report of the Town Clerk and the Chamberlain concerning the Committee's workplan for the next seven months.

RESOLVED – that the Committee noted the Report.

5. **REPORT OF THE WORK OF THE SUB-COMMITTEES**

The Committee considered a report of the Town Clerk which advised Members of the key discussions which had taken place during recent meetings of the Committee's Sub-Committees.

RESOLVED – That the Committee noted the report.

6. **REVENUE BUDGET MONITORING TO OCTOBER 2020**

The Committee received a Report of the Chamberlain concerning the Corporation's financial position and the impact of COVID-19 on budgets up to the end of October.

In response to a query, the Chamberlain highlighted that the forecast year-end position across all funds is an overspend of £32.9m at the end of October (Period 7). This represented an improved position of £3.2m when compared to £36.1m at the end

of September, this was primarily driven by a reduction in expenditure for Barbican Centre (£1.4m) and additional income for the City of London Police (£1.0m).

Despite the improvement, the full scale of rental losses, whilst for now, largely undetermined, will likely have a significant material impact on the Corporation's financial position in 2021 and could offset the improvements we have made in recent weeks.

In response to a separate query concerning the availability of business interruption insurance, officers and other Members responded that whilst business interruption related insurance products, including Pandemic cover, are available on the market, they come at a significant cost. A court case currently taking place is examining whether insurers are liable to provide insurance payouts to small businesses as a result of Covid. Officers will keep both the case monitored, and, more widely, whether Covid prompts more competitive prices for business interruption insurance products.

RESOLVED – That the Committee noted the Report.

7. RISK MANAGEMENT - TOP RISKS

The Committee received a Report of the Chamberlain which provided updates regarding the top risks within the Departmental Risk Register.

The Chairman of the Police Authority Board (in attendance as a Member of the Finance Committee) took the opportunity to emphasise his ambition to reduce the Police Funding Risk from Red to Amber in 2021.

RESOLVED – That the Committee noted the report.

8. DRAFT CHAMBERLAIN'S BUSINESS PLAN FOR 2021/22

The Committee considered a Report of the Chamberlain concerning the Business Plan for the Chamberlain's Department for 2021/22.

In response to a query, the Chamberlain emphasised that when it comes to projects, the charging mechanisms for support services such as finance, legal advice, and procurement have been developed with the aim of producing more transparent and comprehensive costings for Members and officers alike. The Chairman welcomed this approach and stressed that hidden, implicit subsidies for projects needed to be avoided; Members and officers needed to be fully cognisant of the costs and where those costs fell.

RESOLVED – that the Committee:

i) Noted the factors taken into consideration in compiling the Chamberlain's Department Business Plan; and

ii) Approve, subject to the incorporation of any changes sought by this Committee, the departmental Business Plan for Chamberlain's for 2021/22 (or the elements therein that fall within this committee's Terms of Reference).

9. CHAMBERLAIN'S 2021/22 BUDGET ESTIMATE

The Committee received a Report of the Chamberlain concerning the departmental budget estimate for 2021/22.

RESOLVED – that the Committee noted the Report.

10. CORPORATE PROPERTY ASSET MANAGEMENT STRATEGY 2020-25

The Committee considered a Report of the City Surveyor concerning the Corporate Property Asset Management Strategy.

In response to a query, officers confirmed that an annual progress report would be submitted to the Corporate Asset Sub Committee, which would detail asset disposals, re-utilisations, and refurbishments, and whether these complied with the Framework in the Asset Management Strategy. The Framework provided the foundation and was intended to guide officers when taking practical decisions about assets.

RESOLVED – that the Committee approved the revised Corporate Property Asset Management Strategy.

11. IT DIVISION - MEMBER UPDATE

The Committee received a Report of the Chamberlain concerning the IT Division.

The Chairman of the Digital Services Sub-Committee noted that the migration from the server farms into the cloud continues to be very well managed and it would, he added, make the organisation more resilient in future.

The Deputy Chairman of the Digital Services Sub-Committee added that he had been very impressed by the recent IT focussed workshops for Members, the openness to engage Members, many of whom had direct external experience of the IT industry, was clearly beneficial and something to be emulated in other areas.

RESOLVED – that the Committee noted the Report.

12. CENTRAL CONTINGENCIES

The Committee received a report of the Chamberlain which provided Members with information regarding the current balance of the Finance Committee Contingency Funds for the current year.

RESOLVED – That the Committee noted the report.

13. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions.

14. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

15. EXCLUSION OF THE PUBLIC

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

16. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

The non-public minutes of the meeting held on 10th November 2020 were approved as an accurate record.

17. REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES

The Committee noted a report of the Town Clerk which advised Members of the key discussions which had taken place during non-public session at recent meetings of the Committee's Sub-Committees.

18. **CITY'S ESTATE: SURRENDER AND RE-GRANT - TWO NEW 125 YEAR LEASES**

The Committee considered a Report of the City Surveyor concerning the surrender of two existing long leases and the grant of two new long leasehold interests.

19. **CITY'S ESTATE: HEADLEASE ACQUISITION AND LEASEBACK**

The Committee considered a Report of the City Surveyor concerning the Purchase of a Long Leasehold and Leaseback.

20. **CENTRAL CONTINGENCIES - NON-PUBLIC APPENDIX**

The Committee received the appendix for the (public) Central Contingencies Report (ITEM 12 on today's agenda).

21. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

Members considered a non-public question relating to the work of the Committee.

22. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were no items of urgent business.

The meeting ended at 3.10 pm

Chairman

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